

NAVAL SEA SYSTEMS COMMAND

***Outfitting and Material
Support Division
SEA 04L4 OPN Outfitting
Overview
for
Interim FLSIC
23-24 Oct 2002***

**Audrey
Woodward
SEA 04L4B**

Current SEA 04L4 Mission

❖ Navy's Non-Aviation Outfitting Agent (SEA

- ✓ Manage the Accounts of SCN & OPN Outfitting, and OPN & WPN Initial/Vendor Direct Spares

- ✓ Provide Direct Fleet Support for Outfitting & Material Support Policies and Procedures

- ✓ Responsible for Provisioning, Allowances, and Outfitting Related Logistics IT Systems

- ❖ ✓ Responsible for Major End Item Fleet Readiness
- ✓ Total Asset Visibility
- ✓ Transportation Policy & Procedures

Material Management (SEA 04L44)

- ✓ Material Redistribution (Residual)
- ✓ Government & Industry Data Exchange Program (GIDEP);

- ✓ Product Data Reporting & Evaluating Program
- ✓ Material Management Policy (Supply Support)
- ✓ Level One/Subsafe (SS)

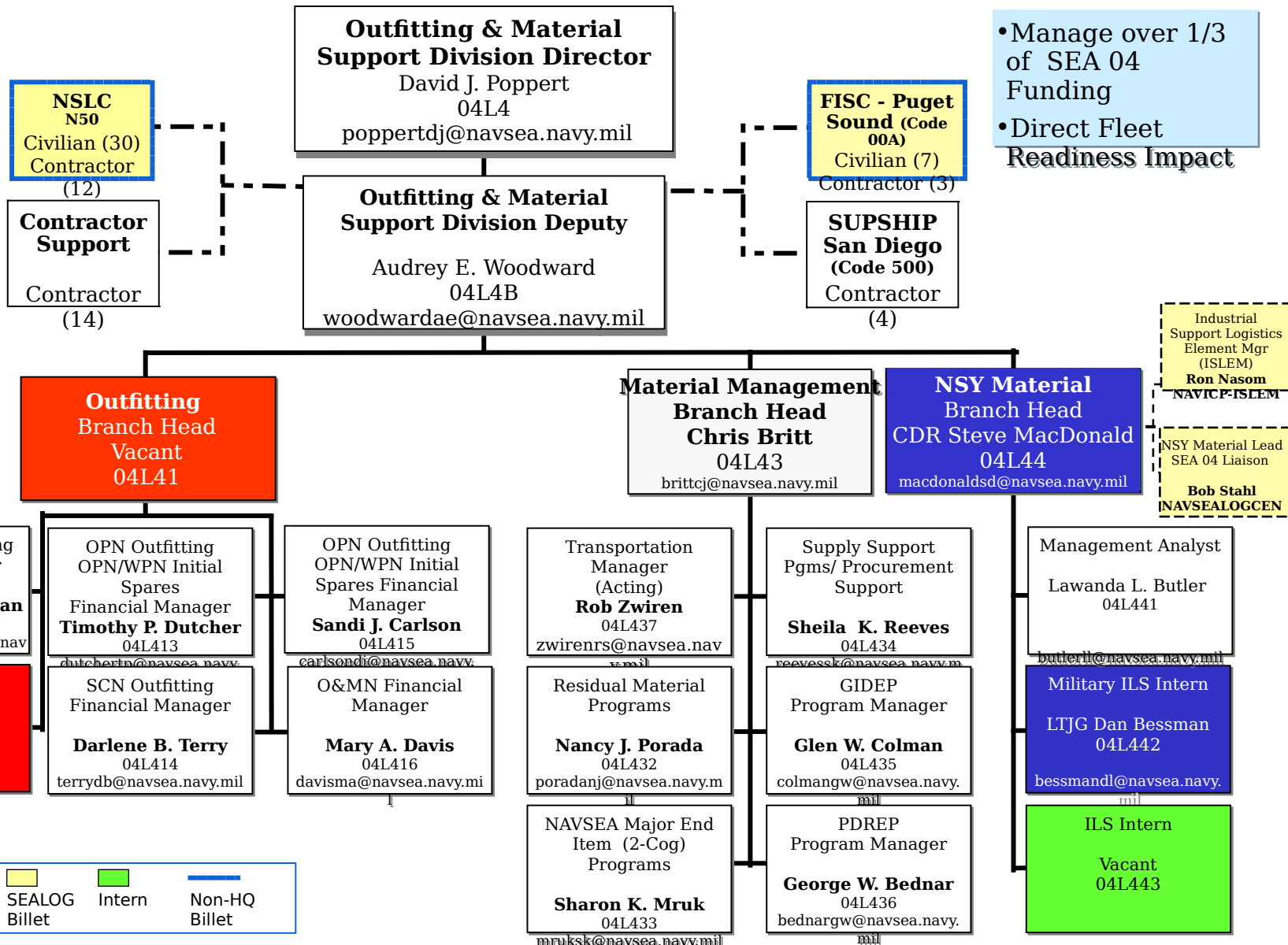
- ❖ ✓ Ensure All the Right Material Is Available at the Right Time & Place Consistent with NAVSEA's Quality Goals, Schedule & Cost (Value)

- ✓ Responsible for Development and Implementation of NSY National Material Strategy (NMS)

SEA 04L44)



SEA 04L4 Organization





MAWG & SYSCOM MOA Impact

- ❖ ***We are working closely with NAVSUP/NAVICP-M as well as other MAWG members to address the OPN-8 Outfitting Process and to determine the best course of action for streamlining this function***
 - ✓ **Impact: We will be changing the OPN Outfitting Accounts Form, Fit and Functions**
- ❖ ***Need to address the 24 May 02 SYSCOM Supply/Logistics MOA:***
 - ✓ **# 4. Interim Supply Support and Outfitting:**
 - » **"We recognize that the aviation and ship processes for these functions are different. We agree to conclude an assessment of the current ship and aircraft processes and to make recommendations on how these functions can be better placed and operated/coordinated."**



Active Fleet: OPN Outfitting Budget Development

Will Change based on the MAWG/SYSCOMs MOA



Hardware Systems Commands (HSCs)

- NAVSEA/SPAWAR/NAVAIR PMs/PEOs Submit PSD
 - To SEA 04L4 and NAVICP-M
- Equipment/Weapon System Level
 - Item/Cost/Installation Schedule
- **93,000+ Post-MSD Installations**

Equipment or Weapon System

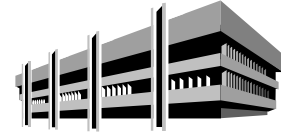
Special Programs

- Multi-Source Inputs (Examples)
 - Safety/Survivability
 - DC Locker Equip
 - Site COSAL Maint (NAVICP-M New Allowances)
 - Q COSAL (SEA 08)
 - Special Projects:
 - Med/Dent (NAVMEDLOG)
 - CARPER (N78/PMS 312)
- >50% Of Budget

Special Programs

Program Support Data (PSD)

- 2,500+ in PARTS Database
- 80+ Offices Submit PSD

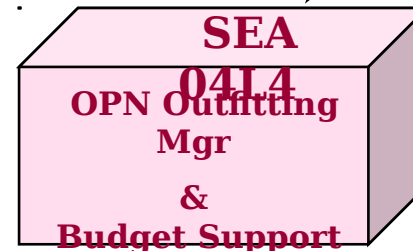


NAVICP Mechanicsburg

Uses PSD to:

- Estimate Allowance Costs (Navy and DLA)
- Negotiate Material Support Dates
- 'Buy-In' Spares Using NWCF \$
 - Lead-Time Before Need

Buy-In Costs



SEA 04L4 Office

- Consolidates Inputs...Scrubs Requirements
- Studies/Analyses to Refine Projections
- Computes Buy-Out Costs and DLA Costs Using PSDs and NAVICP-M Buy-In Costs (Buy-In/Buy-Out Using Same ICP Pricing)
- Validate Requirements Twice a Year With N412/PMs/ICP On-site Reviews
- Prepares/Submits/Defends POM and Budget Requests

Budget Support Office (BSO)

- Coordinate Budgets
- **Will not execute Funding**

POM

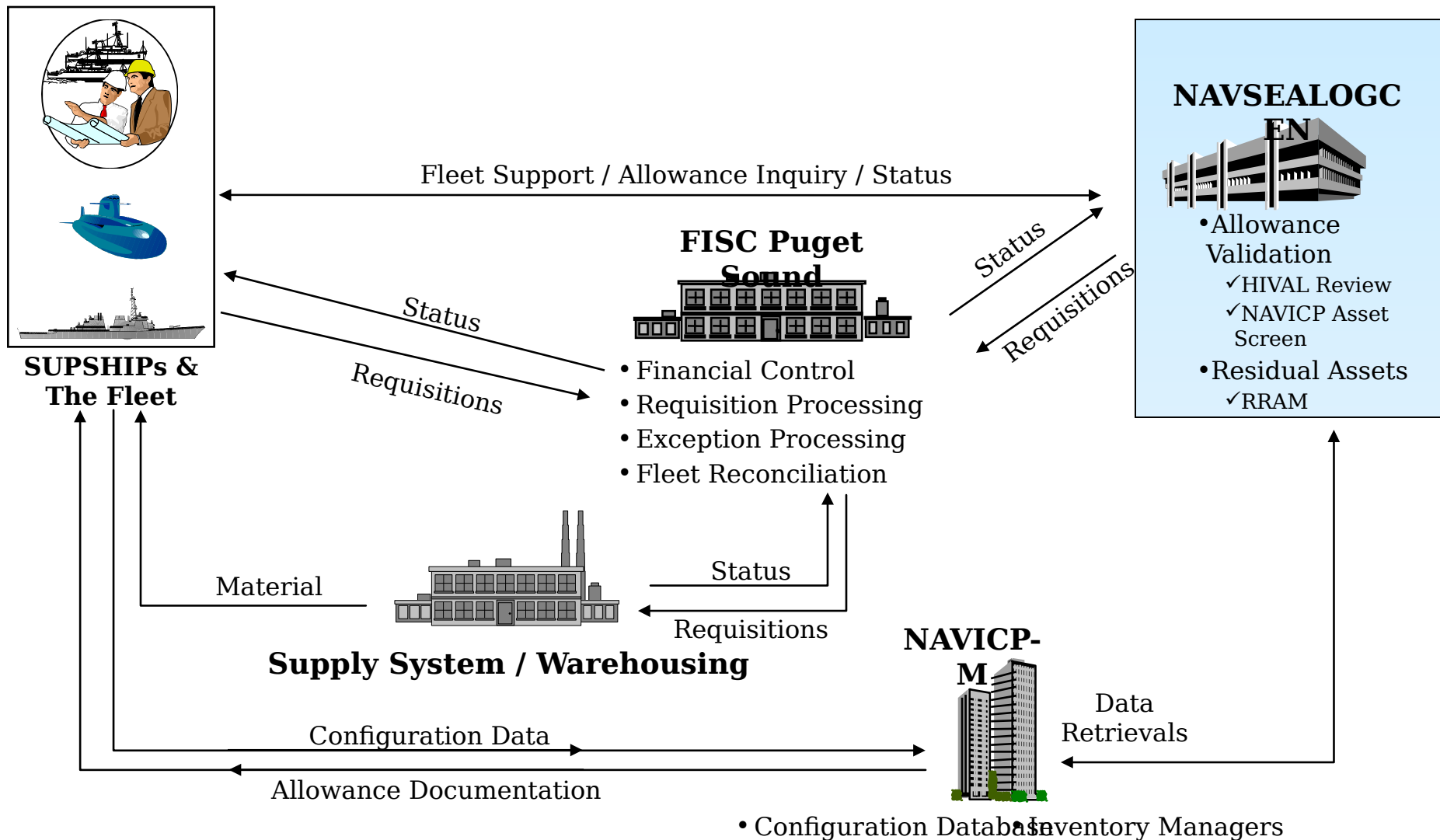
- Assessment Sponsor: N41
- Resource Sponsors:
N096/N6/N75/N76/N77/N78

BUDGET

- **FMB** Reviews with NWCF Buy-In Budget

Outfitting Material Process

Will Change based on the MAWG/SYSCOMs MOA



OPN-8 Spares - Outfitting

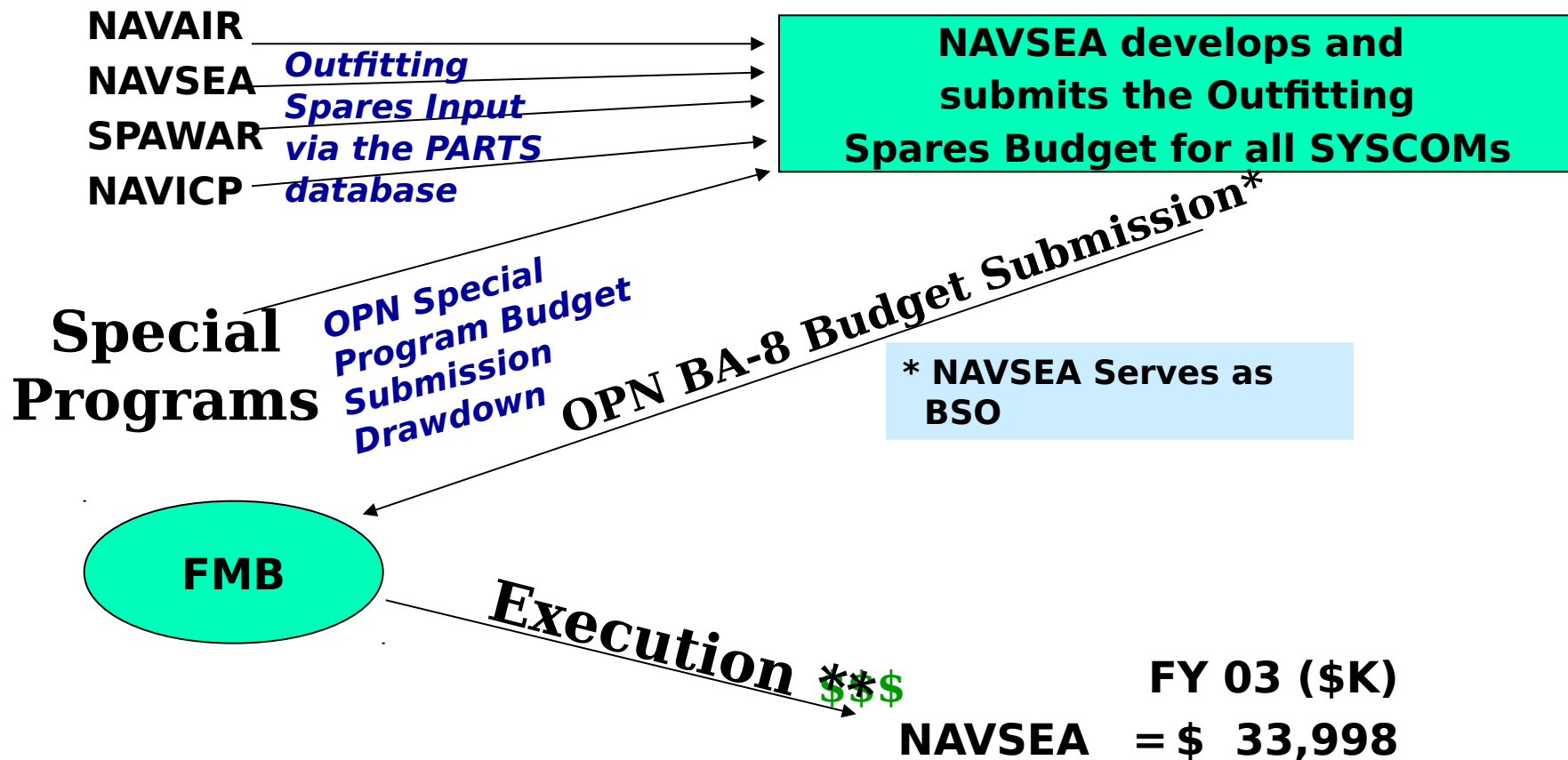
Comprised of:

- ❖ **On Board Repair Parts (ORRPs) - Beginning at MSD, the Outfitting Spares account pays to “buy out” the OBRPs that the supply system “buys in” using Working Capital Funds. (Primarily “buy out” from NAVICP and DLA. Also procure from Army, Air Force, and GSA)**
- ❖ **NAVSEA Outfitting Spares account also “buys out” the post-MSD OBRPs for the OPN hardware procured by SPAWAR and NAVAIR. NAVSEA is the Outfitting Agent for all Navy Hardware Systems Commands**
- ❖ **Special Programs: Q-COSAL, Medical/Dental, Gold Disk, DC Locker, Maritime Allowancing, etc.**

Funding:

- ❖ **NAVSEA develops, justifies and executes the Outfitting Spares budget**
- ❖ **Funding flows from FMB to NAVSEA to execute all OPN-8 Outfitting Spares funding**

OPN-8 Spares - Outfitting



**** Funding issued directly to NAVSEA, who is responsible to FMB for execution.**



Active Fleet: OPN Outfitting Account

❖ OPN Outfitting Funds Pay for:

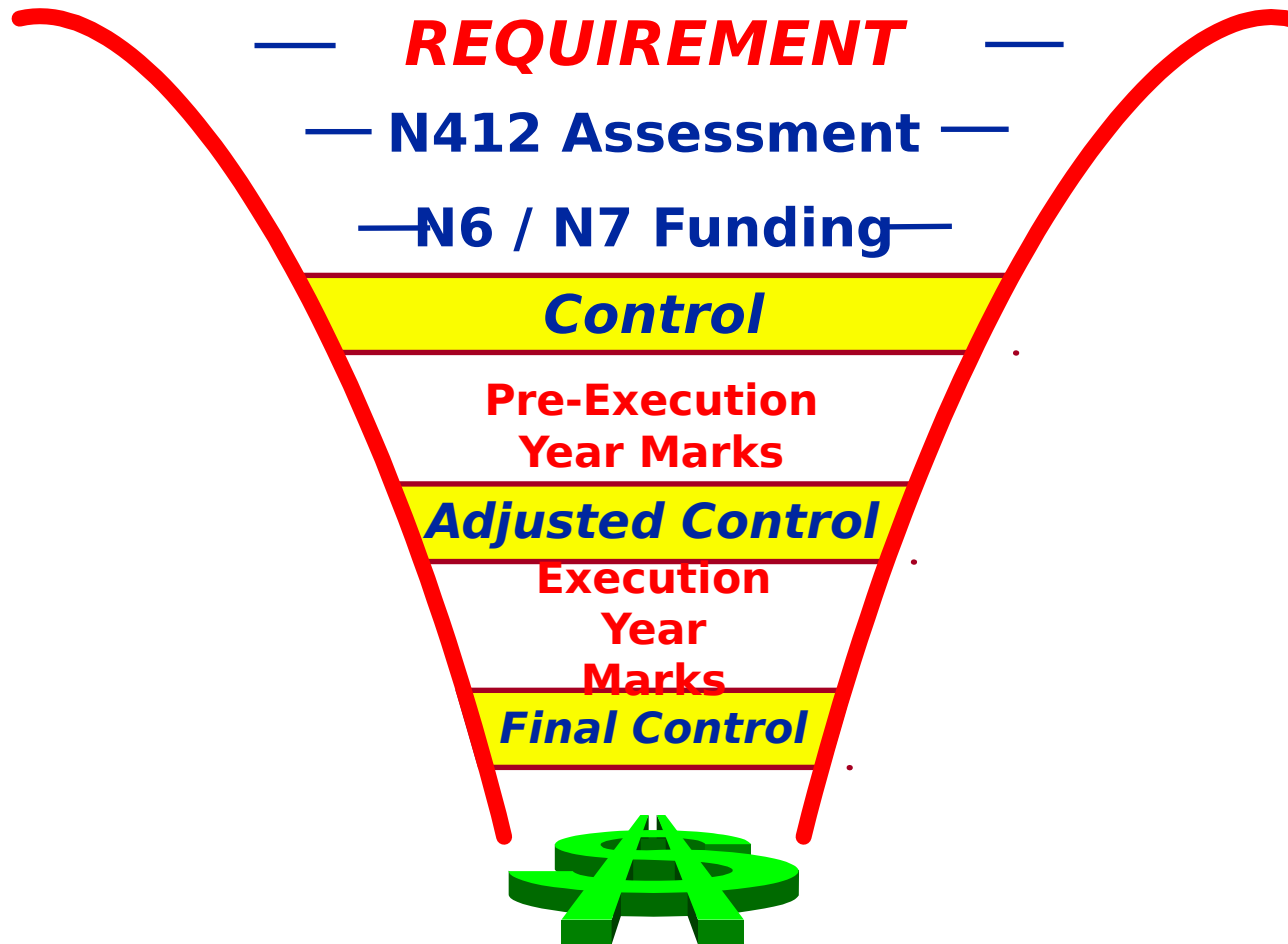
- ✓ **All Changes to “Baseline” Allowance List**
 - » **From Obligation Work Limiting Date (OWLD) - End of New Construction Funding**
 - » **Through Life of Ship - Decommissioning**
- ✓ **Spares & Repair Parts Support for Equipment that has Reached MSD and is Fully Supported by the Navy Supply System**
 - » **Modernization**
 - New Equipment/Weapons System Installations
 - » **Maintenance**
 - Alteration of Previously Installed Equipment (Reprovisioning, BRF Change, .5 FLSIP, etc.)
 - » **Special / Unique Allowance Changes or Equipage Items**

❖ OPN Outfitting Represents:

- ✓ **“Buy-Out” of a Lead Time Earlier NAVICP-M “Buy-In”**
- ✓ **“Buy-Out” of DLA and Other ICPs**

OPN Outfitting

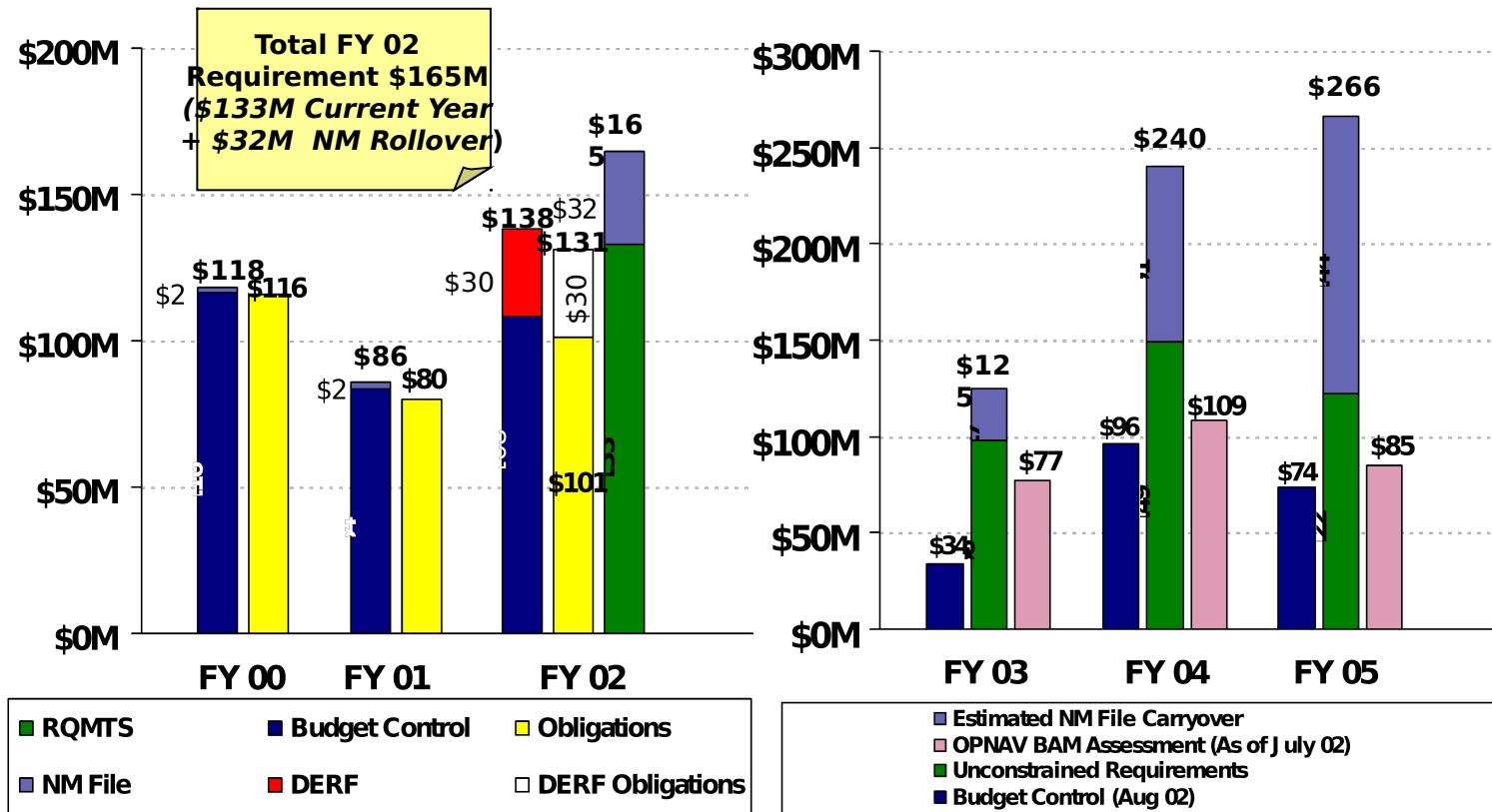
Obtaining Funding Control Typical Reductions



Execution Year Control Has Recently Fallen Far Short of Requirement

OPN Outfitting Spares Funding Profile

As of 30 September 02



- **OPN Outfitting Spares Underassessed and Under funded**
 - Pending FY 02 Supplemental May Includes \$22-27M for Spares
- **Severe OPN Shortfall in FY 03 - Addressed Issue with FMB via NAVSEA Letter**
 - OPNAV N41 and FMB Working on Resolution (Increase OPN Spares Funding)
 - FMB has Recognized a \$50M FY 03 Unfunded Requirement, but has yet to Identify Funding
 - After Funding "Must Funds" (O-COSAL & AT/EP) \$16.6M Available for all other



OPN Outfitting FY 02/03 Summary

FY 02

Shortfall Carry-forward 30 Sep 01

**FY 02 Emergency Response Funds (ERF) Supplemental
Remaining Carry-forward Nov 01**

\$M

\$32

\$30

\$2

**(Note:
Buydown of
Shortfall)**

FY 02 Requirements

\$133

Total Requirements

\$135

FY 02 Budget Control

\$108

Potential NM File End of FY 02

\$27

FY 03

NM File Carry-forward from FY 02

\$27

FY 03 Requirements

\$98

Total Requirements

\$125

FY 03 Budget Control

\$34

(Includes \$30M FMB Mark vs. ERF Supplemental)

Potential Shortfall Carry-forward End of FY 03

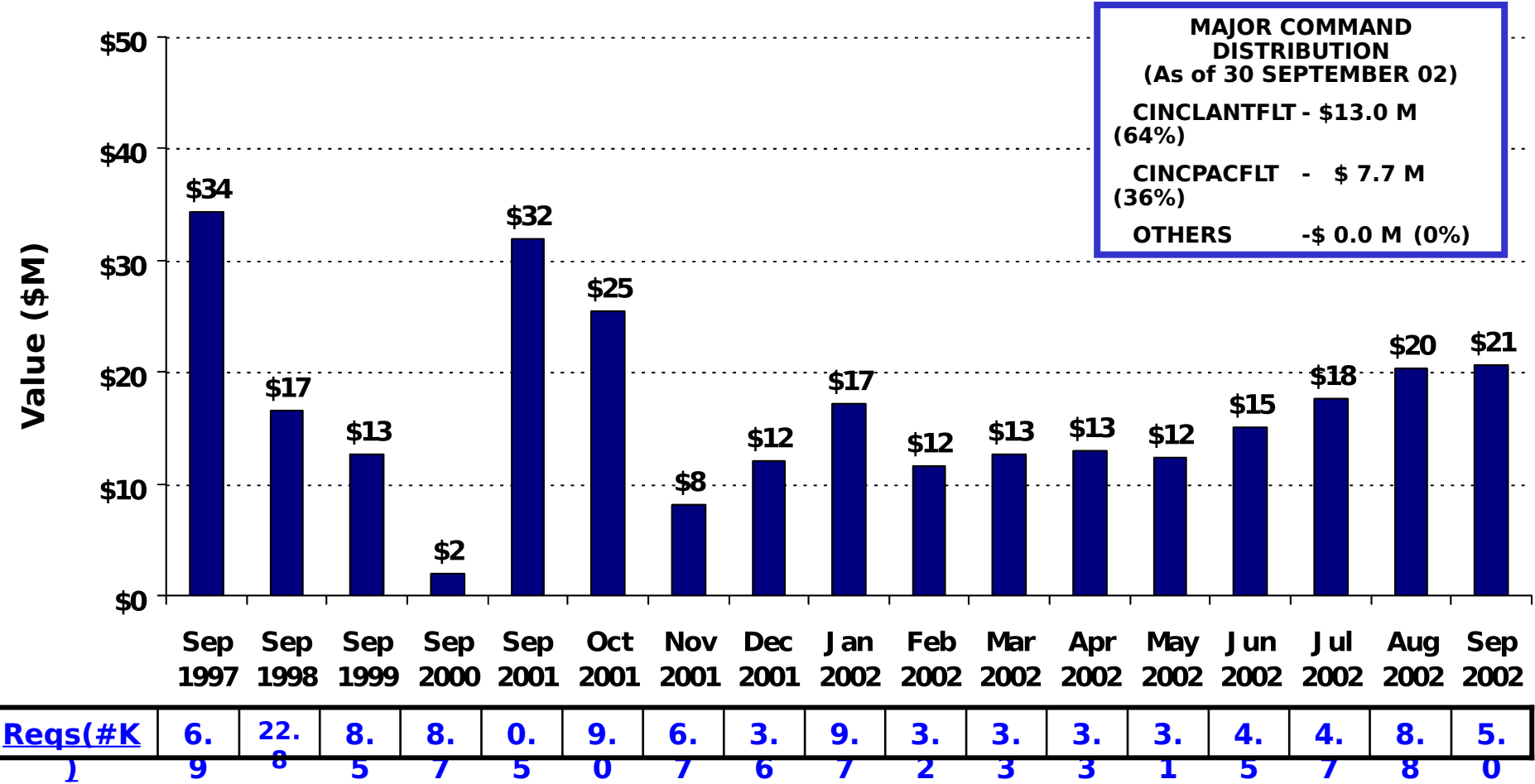
\$91

*** NOTE: FY 02 Requirements and Control Includes AT/FP.**



OPN Outfitting Shortfall

"No Money" Backlog

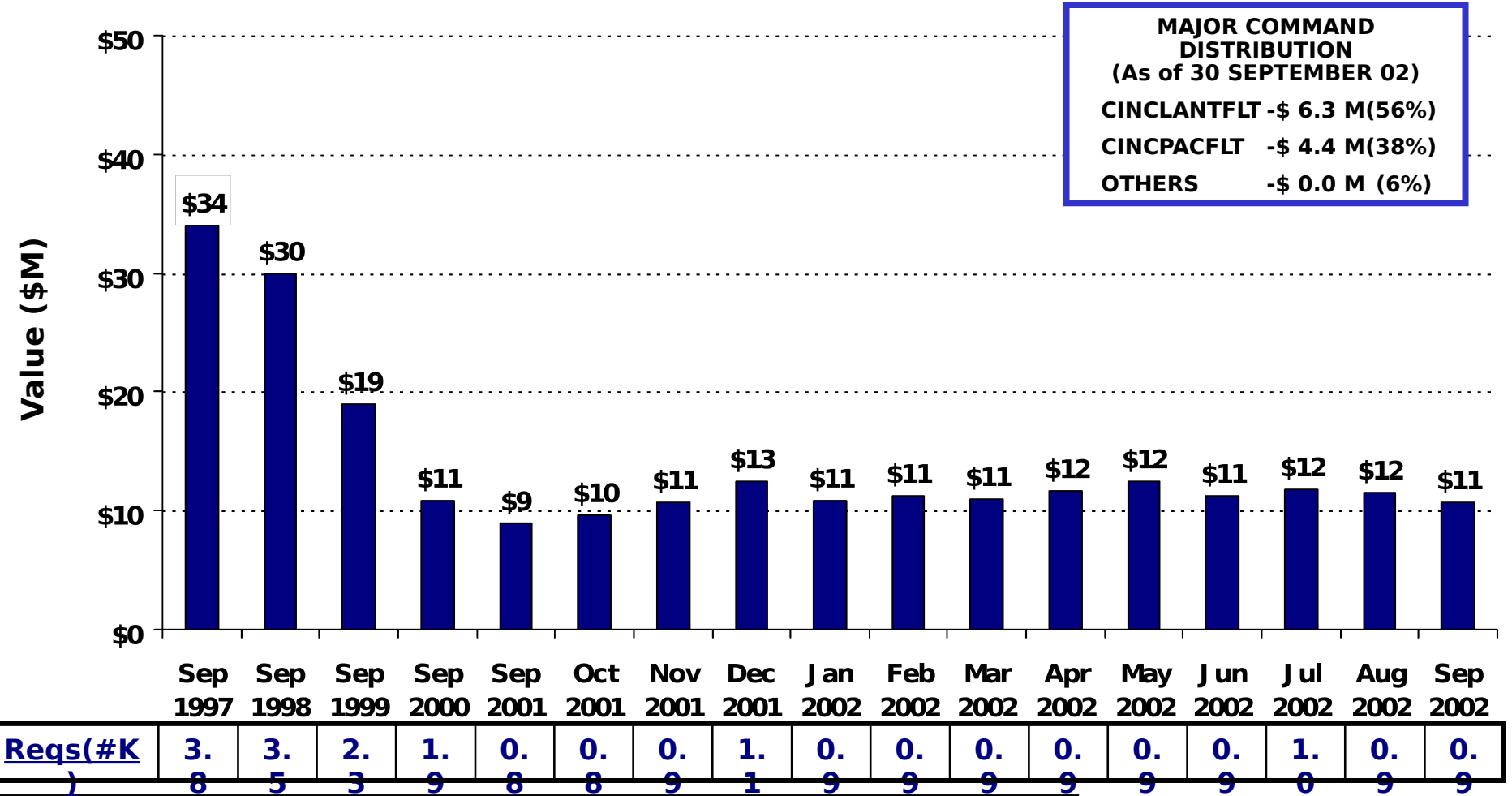


* No Money file is formed by COSAL Initial Outfitting requisitions that are placed on hold due to insufficient funding. These requisitions are for lower priority ship and weapon systems and not a range add.



OPN Outfitting Shortfall

"No Asset" Backlog



MAJOR COMMAND DISTRIBUTION
(As of 30 SEPTEMBER 02)

CINCLANTFLT -\$ 6.3 M(56%)
CINCPACFLT -\$ 4.4 M(38%)
OTHERS -\$ 0.0 M (6%)

* To optimize funds, we screen valid High Value requisitions for NAVICP-Mechanicsburg material against available assets.

* To verify if an asset has become available, the No Asset file is screened weekly.

* Responsible for Data: NAVAL SEA LOGISTICS CENTER N52

FY 03 OPN-8 Outfitting Funding Shortfall

❖ **Shortfall Overview:**

- ✓ In Recent Years, OPN-8 Account Averaged \$20M in Outfitting Requirements that Roll Over into next FY due to Limited O/F Resources--Low Priority
- ✓ **Project Approximately \$91M of Unfunded Requirements will Roll Over into FY-04 at end of this FY**
- ✓ For FY-03, Received \$22M Supplemental of DERF Funding for OPN-8 O/F
 - » **Fleet Preference:** Apply Supplemental Funding to FY-04 Assessed Requirements (Readiness Based Sparing (RBS) Back-fits) for a Number of selected Surface Ship Systems and Correction of Pre-1999 Undistributed Allowances - *Est Cost: \$7.M & \$12.2M. Total \$19.7M*
 - Impacts:**
 - *Difficult to Obligate within the First 90 Days of Receipt.*
 - *Equal amount may be marked from FY-04 OPN-8 O/F and viewed as Forward Funding Requirements*
- ✓ **Projected \$91M Shortfall will result in**
 - » **Ships Deploying without Authorized Spares and Repair Parts, NM Related CASREPs and Decreased War-fighting Capability**



OPN Outfitting Fleet Prioritization Process

❖ *Since June 95 - Initiated Fleet/NAVSEA Prioritization Process; Fund Only:*

- » (1) Nuclear (Q-COSAL); (2) Strategic Weapon Systems; (3) Safety and Survivability Items; and (4) Range-adds Only for CINC/TYCOM-Identified Critical Equipment/Systems
- ✓ **Otherwise:**
 - » Requirement Still Registered at NAVICP-M
 - » Requisition Held in ACTS With No Money (NM) Status
- ✓ **Continuous Review of Available Funds and No Money (NM) File Requisitions**
 - » NM File Revalidation Twice Per Year
 - » No Requisitions in NM Over One Year ... either Fund or Cancel
(If No Longer Authorized After Revalidation Effort)



OPN Outfitting Prioritization Process

May Change based on the MAWG/SYSCOM MOA

❖ NAVSEA Prioritization Process (Current):

- ✓ **Fleet/TYCOMs Decide on Priority Unit Identification Codes (UICs)**
- ✓ **List Submitted to SEA 04/SEALOG/ FISC PS for Processing/Screening**
- ✓ **Continued Screening**
 - » **HiValue - for Validity**
 - » **RRAM - For Residual Assets**

❖ Current Fleet Prioritization Message

- ✓ **- R0304402Z OCT 02 - Fleet CINCs Response due 31 Oct 02**

❖ Does Fleet Desire Change in this Process???

❖ Does MAWG Replace the Current Process???



FLSIC Action Item Status

020314-07 SEA 04L Establish a Maritime Allowance Working Group (Consisting of OPNAV N41/Resource Sponsors, TYCOMs, NAVSEA, NAVSEALOGCEN, SPAWAR, NAVSUP, and NAVICP-M) to consider policy and procedures for Allowancing Budgeting and Execution requirements. Working Group will meet on a semi-annual basis to focus on maritime allowance execution performance and plan for future allowance requirements.

STATUS: The Full MAWG held their first meeting 17-18 July at NAB Little Creek, Va. Fleet CINC/TYCOM reps, SYSCOM and field activities were well represented. Overall, the meeting was a success as the MAWG charter was approved and key allowance issues were classified into one of the following Sub-Working Groups:

- Configuration Management**
- Allowance Process and Products**
- Allowance Products Use & Maintenance**
- Allowance Budgeting and Execution**

As agreed at the MAWG meeting, Sub-Group leads will determine if there are any other applicable allowance issues, along with prioritizing these issues. The Sub-Working Groups will also consider developing applicable metrics that reflect impact on Fleet Readiness. The next step is for NAVSUP to provide a MAWG implementation letter for OPNAV N4 to sign that invokes the MAWG Charter. Sub-Groups will report the status of their findings at the next Full MAWG scheduled for 22 Oct in Mechanicsburg, The results of that meeting will be discussed at the Interim FLSIC.



FLSIC Action Item Status

020314-10 Fleet CINCs requested that SEA 04L draft a message to the appropriate activity regarding FY-03 \$30M DERF shortfall.

STATUS: In Feb 02, SEA 04 sent a letter to FMB expressing concerns regarding FY 03 Outfitting Funding Shortfall.

On 21 Oct 02, SEA 04L4 sent another letter to FMB outlining the dire situation of the OPN-8 Outfitting Spares Account in FY-03 and requesting assistance in providing an acceptable resolution that will satisfy Fleet requirements.



FLSIC Action Item Status

020314-11 SEA 04L4 provide NAVSEA'S top 10 priorities for mid-year funding.

STATUS: Based on SEA 01 Weekly Status Report (Highlights), MID-YEAR REVIEW OF FY 2002 O&M,N/O&M, NR ACCOUNTS. FY 2002 O&M,N/O&M,NR Midyear Review information for the Naval Sea Systems Command has been submitted to ASN (FMB). NAVSEA engaged the Fleet in a series of reviews of the programs we fund to support them, and our list of critical unfunded requirements (max 10 per claimant) was developed with an eye toward current readiness. Our top priority, for example, focuses on the engineering and maintenance expertise we provide the NIMITZ battle group so it can meet its accelerated deployment date. Other items fund wrench-turning efforts that result in increased operational availability of such items as guns and Thermal Imaging Sensor Systems, or will increase the stock of LCAC engine spares. We also need funds to accommodate the delay in LPD 17 deployment. PR03 included funding for depot availabilities to extend the life of six LPD 4 class ships. We need funds this year to develop engineering specifications and drawings and identify long lead material for those availabilities. A summary of NAVSEA's submission was provided.

Based upon the status provided above, recommend that this action be closed.



FLSIC Action Item Status

010314-01 OPNAV N34/SEA 04L4 define ILS and life cycle support requirements for Force Protection material:

- Funding**
- ISEA Tech Support**
- Supply Support**
- Training Requirements**

Status: SEA 04L4B will address AT/FP issues at the Interim FLSIC



FLSIC Action Item Status

**0111115-02 SEA 04L4/Fleet CINCs submit a special Force
Protection Augmentation request to OPNAV
-Include VBSS requirements**

**Status: SEA 04L4B will address the status of this issue at the
Interim FLSIC**



FLSIC Action Item Status

011115-06 SUP 4B2/SEA 04L4 9SEALOG N50) to cost out RBS and non-RBS ACWT initiatives to establish standard allowances across ship classes. Provide draft POM 04 paper by end of December 01. Provide status at March FLSIC.

- Include cost of ASI 308 and include in POM issue.**
- Include FAMS/System Allowance Technique (SAT) data in requirements within time and resource constraints.**

Status: SUP 4B2D will address the status of this issue at the Interim FLSIC

Summary

- ❖ ***Current Budget Shows Constrained Funding in the Outyears:***
 - ✓ **Execution Initiatives Ensure Maximum Use of Funding**
- ❖ ***Outfitting Team will Continue our Close Working Relationship with CINCs/TYCOMs - the Customer via MAWG***